TESTIMONY BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE SUBCOMITTEE ON ASIA, THE PACIFIC, CENTRAL ASIA, AND NONPROLIFERATION

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Chairman Bera, Ranking Member Chabot, distinguished Members of the Subcommittee, thank you for the invitation to speak at this hearing on <u>The Ukraine Crisis: Implications for US Policy in the Indo-Pacific</u>.

My statement particularly focuses on crisis implications related to South Asia, but these are inherently linked to broader dynamics in the Indo-Pacific that I will also cover.

The impact of the crisis has already been evident in South Asia. While Russia's invasion of Ukraine has adversely affected the interests, particularly economic interests, of the countries in South Asia, the diplomatic response from the region has been mixed. India's evolving approach has reflected the fact that it does not want to isolate Russia, but also does not support its actions or want to endorse the idea that violations of territorial integrity and sovereignty are acceptable. Pakistan has also abstained from condemning Russia, with which it has been building ties and cooperating vis-à-vis the situation in Afghanistan. Bangladesh and Sri Lanka abstained from the United Nations General Assembly resolution on aggression against Ukraine. However, Bhutan, Maldives, and Nepal did vote in favor of the resolution, with Thimphu's representative asserting that the "threat or use of force, and acts of aggression against another sovereign state can never be accepted."

There are limits to how much one can draw a straight line between these reactions and how the countries in the region might respond to a crisis or other challenges in the Indo-Pacific. Their responses will depend on the nature and location of the contingency though, regardless, it will be closer to home and likely affect South Asia more directly. More significantly, the nature and extent of these countries' relationships with China are different from those with Russia. And these ties with Beijing will shape their responses to an Indo-Pacific contingency involving Chinese assertiveness or aggression.

Given its own rivalry with China, India will be more willing than the other countries to align with the US in the Indo-Pacific, but not always at the same pace or in the same way as Washington wants—and how India and the US handle their differences over the Russia-Ukraine crisis could have an impact. With its close relationship with China, Pakistan is unlikely to take a stand against Beijing and might even support it in an Indo-Pacific contingency. As for most other countries in the region, they are unlikely to want to take sides.

US aims and efforts will have to be tailored given these different dynamics—in some cases seeking alignment; in others, to keep countries non-aligned. In either case, these aims would be well served by continued and increased American presence and engagement in the region, and a focus on principles and problem-solving.

Potential Implications

The Russia-Ukraine war could have several implications for the Indo-Pacific, including South Asia, and therefore for US policy there. Some effects are already evident; others could depend on the duration and the outcome of the crisis.

What China Might Do

One potential and more immediate concern has been that while the world is focused on developments in Europe, Beijing might seek to take advantage in the Indo-Pacific. The scenario that is most discussed is an attempt to takeover or put pressure on Taiwan. Another potential scenario is escalation in the East or South China Seas. While these would have implications for South Asia, the contingency that would have the most direct impact would be further action by the People's Liberation Army at the China-India boundary—or at the Bhutan-China boundary that would draw in India. This could take place either in the western sector, where operations become easier at this time of year, or even in the eastern or middle sectors of the Sino-Indian boundary.

The likelihood of such a scenario is a subject of debate. Some argue that it is possible because India does not have a security commitment from the US, and leaders in Beijing might see this as a more feasible action relative to other scenarios to make gains and send a signal at home and abroad. Others contend that India does have a nuclear deterrent, and, if anything, the Ukraine crisis will remind Beijing that military actions can have unpredictable outcomes and Chinese leader Xi Jinping will not want to take such a chance ahead of the 20th Party Congress later this year. Moreover, they argue that foreign minister Wang Yi's trip to India was a sign that Beijing is more likely to want to stabilize relations with India to ease the diplomatic pressure China is facing. Regardless, the Indian external affairs minister has noted that the developments in Europe are a reminder that international peace and security cannot be taken for granted, and the Indian army chief has stressed that they are a reminder that wars can happen at any time, and India has to remained prepared for such eventualities.

This potential scenario has already shaped New Delhi's response to the Russia-Ukraine war. Strategically, India is concerned that, in the event of a Sino-Indian escalation, a condemnatory Indian approach toward Russia could result in Moscow moving away from neutrality and taking China's side in ways that are unhelpful or harmful to India—as it did during the Sino-Indian war in 1962. Operationally, while it has been diversifying, the Indian military continues to be dependent on Russia for supplies and spare parts for crucial frontline equipment. This has contributed to Indian caution in criticizing Russia, to it putting its forces on alert at the China border, as well as to assessments of its current stocks of military supplies.

There is, of course, the risk for India that a Russia more beholden to China due to the Ukraine crisis will have little choice but be responsive to any Chinese demands or asks. Moreover, beyond Russia's willingness, the crisis has sparked concern about its ability to supply India given its own military needs and the impact on the Russian defense industrial base (including because of export controls)—the damage to Ukraine's defense industrial base will also adversely affect the Indian air force and navy's capabilities. These potential implications are already a subject of discussion in India, along with a debate on the consequences of over-dependence on Russia in the context of growing Russia-China alignment.

What China Learns

As Beijing watches Russian actions and the international response, the hope is that it is dissuaded from taking military action of its own in the Indo-Pacific, particularly against Taiwan, because of the lessons that (a) military operations can be tougher to execute than expected, (b) American allies and partners can respond cohesively, (c) even other countries will look askance, and (d) economic and other consequences will follow. However, the Russia-Ukraine war and the responses to it could also or instead lead Beijing to strive to reduce or mitigate each one of these vulnerabilities. This could mean an approach that doubles down on (i) not just improving Chinese military capabilities, but also performance, (ii) ensuring that there won't be a unified international response or allied cohesion, (iii) sanction proofing itself, and (iv) drawing a distinction between the principles at stake in the cases of Ukraine and Taiwan.

This could have impact on South Asia and for US interests in this region. One way could be if Beijing believes the Sino-Indian boundary could be a testing ground for the PLA, or help it develop experience. Any resultant escalation will raise questions for Washington in terms of the nature and level of the US response.

The most likely impact in the region will be a renewed and perhaps even accelerated Chinese diplomatic and economic offensive in South Asia. The Chinese foreign minister has already undertaken trips to Afghanistan, Nepal and Pakistan to shore up those relationships, and deal with some of the headwinds facing China's interests there. He also spoke at the Organisation for Islamic Cooperation summit, and traveled to India.

China-South Asia Relations

These dynamics between China and South Asian countries will shape their responses to any Indo-Pacific contingency in which Beijing is involved. Most countries in the region have different relations—in nature and degree—with China than they do with Russia. Pakistan is as close to an ally as China gets. Beijing has developed ties with Bangladesh, Maldives, Nepal, and Sri Lanka. On the other hand, Bhutan does not have diplomatic ties with China but does have a border dispute with it. And India considers China its rival, if not adversary—alone and in conjunction with Pakistan, which Beijing has supported.

Beijing has increased its diplomatic ties with these countries bilaterally, as well as through mechanisms such as meetings with the South Asian countries (sans India and Bhutan). China is also the top trading partner for almost all the South Asian countries, and has been engaged in infrastructure projects in several of them. It is also a key military supplier for Pakistan and Bangladesh (as well as neighboring Myanmar). Furthermore, it has been trying to build its influence in each of the countries through increased engagement with next generation leaders, private and public sector companies, media, civil society, and universities. Beijing can be expected to double down on this approach, in part to solicit buy-in or acquiescence for its broader goals.

Beijing's diplomatic and communications drive is likely to make both a positive and negative case, i.e. not just reminding countries of China's importance to them, but also creating doubt and fueling friction vis-à-vis the United States. Beijing is also likely in the region to stress that Taiwan is unlike Ukraine, i.e., not a separate country but a part of China.

Vis-à-vis India, there are already signs that Beijing is seeking to stabilize ties that have reached their worst point since the two countries fought a war in 1962. Wang Yi's visit to India seemed designed to generate (i) diplomatic space for China, given the pressure it has faced from the US and Europe on its position vis-à-vis the Russia-Ukraine war, (ii) support for Russia and the Sino-Russian position on the international order, and (iii) friction between India and its partners like the US, Australia, Japan, UK, and countries in Europe. New Delhi, however, has made clear that the Sino-Indian relationship cannot be normal when the border situation is abnormal, and created some distance between its own position on the Ukraine crisis and that of China. That border crisis and broader Indian concerns about China also limit the extent to which India cooperates via the BRICS, Russia-India-China dialogue, and the Shanghai Cooperation Organisation as Beijing has been seeking.

A more consequential step might be if Beijing decides to make concessions to India in order to limit New Delhi's partnership with the US and involvement in the Quad. Thus far, there is little sign that it will do so. Moreover, even if the current Sino-Indian boundary crisis is resolved tomorrow, there is little, if any, trust in India that China will respect commitments that it makes. And there are several other differences that contribute to India's desire to work with like-minded partners to build its own capabilities, preserve a rule-based order in the region, and shape a favorable balance of power and influence in the Indo-Pacific.

The Russia-China Relationship

The current crisis's effect on the Russia-China relationship will also have implications for the Indo-Pacific, including for South Asia.

There have been some indications of joint or cooperative Sino-Russian efforts in the region. For instance, Russia-China-Iran military exercises in the Indian Ocean. More recently, China and Russia have joined to distribute disinformation or propaganda, including about COVID-19 origins, and on the Russia-Ukraine crisis. They are also messaging in a coordinated or parallel fashion that India should join a Sino-Russian bloc. Moreover, China and Russia have cooperated on Afghanistan—and continue to do so in conjunction with Pakistan. There are indeed some indications that China has facilitated or encouraged the development of Russia-Pakistan ties, including perhaps Pakistani Prime Minister Imran Khan's visit to Moscow the week of the Russian invasion. Moscow has also played an indirect role in China's defense engagement in the region, for instance, the Sino-Pakistan joint fighter has Russian engines.

Having said that, Moscow has also taken actions that do not necessarily sync with Chinese interests in the region, including military supplies to countries such as India, Indonesia, and Vietnam. It would have also signed off on the agreement for India to supply Philippines with the BrahMos missile system, which was co-developed. And it has competed with China for certain projects in the region, such as to supply Bangladesh nuclear power plants.

India, in particular, watches Sino-Russian relations very closely. A key Indian objective has been to keep Moscow from deepening ties with Beijing. Therefore, observers in India have warily watched the Sino-Russian statement of February 4, 2022, Chinese support for Russia during the current crisis, and Beijing drawing analogies between NATO in Europe and American alliances, coalitions, and partnerships in the Indo-Pacific. There are two views in India about these developments. One set of observers believes that they represent a significant inflection point in Sino-Russian ties. For them, India consequently needs to consider the implications, including reducing its defense trade and

technology dependence on Russia through further indigenization and diversification. And they believe New Delhi will need to consider the possibility of greater Sino-Russian collaboration in the Indian Ocean region (possibly also with Pakistan). Another set of observers, however, believes that this is not a significantly different moment in Sino-Russian relations, that there continue to be limits to the partnership because of Sino-Russian differences and interests, and that New Delhi should continue to engage Moscow to give it non-China options.

The Russia-India Relationship

Which way the Indian government falls in this debate will be important in shaping New Delhi's future calculations vis-à-vis Russia. There is already some discussion in India about what a Moscow that is more beholden to Beijing because of the Russia-Ukraine crisis will do if China asks it to take actions that are against Indian interests. These demands or expectations could be expressed during a crisis, or even in international or regional organizations such as the UN Security Council—where there have already been indications that Russia has band-wagoned with China, including on India-Pakistan matters. Or they could involve Beijing urging Moscow to renege on agreements such as the supply of BrahMos to the Philippines, or seeking greater cooperation on Chinese interests in the Indo-Pacific. While there is often focus on Russia's supporter role in explaining India's approach to it (and the crisis), this potential spoiler role needs to be factored in as well.

A New Delhi that is concerned about Moscow's ability and willingness to supply India militarily will seek alternative partners that are willing to help it build its defense industrial base, provide it access to advanced technology, offer viable alternatives, and help it cover potential shortfalls in supplies from Russia in a crisis. This is a potential opportunity for the US as well as several of its allies and partners, including France and Israel—as well as those in eastern Europe who operate Soviet- or Russian-origin equipment. The nature and terms of the alternative offers, however, will be crucial—and linking them to India giving up its relationship with Russia will limit their effectiveness.

US Approach in the Indo-Pacific

The implications in South Asia will also depend on the US approach, including how the crisis might affect its presence and engagement in the region, and particularly its relationship with India.

As countries in the region witness a large power taking military action against a smaller neighbor to impose its will, it will bring home to them that this is not an abstract concern, but a real possibility in the Indo-Pacific as well. This could potentially elicit different responses. One could be to bandwagon with China, acknowledging that it is the largest power in Asia and accepting its terms. An alternative path would involve countries bolstering efforts to balance Chinese power and influence through a combination of building their own capabilities and resilience, and partnering with other major and middle powers to ensure a rules-based order prevails in the region.

If the current crisis in Europe leads to a reduction in American interest, resources, and attention devoted to the Indo-Pacific, it is more likely that countries in the region will bandwagon with or tilt toward China—or at least not take actions that will upset Beijing. However, continued and ideally increased engagement by the US with the region, as well as by like-minded American allies and partners from Europe or the Indo-Pacific, will make it more likely that countries in the region will choose the second path. That does not necessarily mean they will pick America's side as such—but it will make them more likely to align with the US and others, or at least not to pick China's side.

This is even true for India, which has been aligning with the US and others to balance China in the region. And the Biden administration—like the Bush, Obama, and Trump administrations before it—has envisioned a key role for India in its Indo-Pacific strategy. However, whether and how the US and India manage differences over Russia, including over sanctions, could have implications for India's willingness—and even ability—to play this role and align with the US. Public pressure on India from Washington and American allies to take sides will be ineffective and counterproductive. It could even open the door for Beijing and Moscow to fuel Indian doubts about the US and highlight divergences—their communications strategy in India has already involved talking about US pressure on India, and how western sanctions will adversely affect Indian interests. An approach from Washington and American allies that handle these differences with care and try to mitigate Indian security and economic concerns, however, will be more effective.

On the other side, if India takes actions that increase doubts in Washington or other partner capitals about its principles and reliability—or how "like minded" it is—this could decrease enthusiasm for it as a partner. There needs to be recognition in New Delhi that its approach has not been cost-free with its partners—and it does not just have a Russia option to preserve but partnerships with the US and other like-minded countries that need tending and can't be taken for granted.

The Quad

The Trump and Biden administrations have also invested in the Quad as a key vehicle for cooperation in the Indo-Pacific. And officials have suggested that India is the pacing partner in that Australia-India-Japan-US grouping. However, the Russian invasion of Ukraine has raised questions about the implications for the Quad, particularly given New Delhi's lack of explicit condemnation of Moscow's military actions.

It is too soon to tell what the impact of the crisis on the Quad will be and the effect could be complex. On the one hand, the existence of the Quad itself is evidence of New Delhi's willingness to make choices that do not fit with Russia's preferences or demands—Moscow has been very vocal in its unhappiness about the Quad and US-India relations. Moreover, defense capabilities from Russia enable New Delhi to play the role that Australia, Japan and the US want it to vis-à-vis China, both in holding the line at the border and in playing a security provider role in the Indian Ocean. In addition, the Quad recently served as a platform for the leaders to discuss the implications of the Russia-Ukraine war for the Indo-Pacific. Furthermore, the European crisis has driven home that contingencies in the Indo-Pacific that seemed distant or unlikely might indeed require greater attention and urgency—and will require like-minded countries to collaborate to detect, deter and deal with challenges in the region. This potentially increases rather than decreases the utility and necessity of the Quad.

On the other hand, India's response to the Russian invasion has raised questions in the other Quad countries about how New Delhi would react, if at all, to an Indo-Pacific contingency such as over Taiwan or in the East or South China Seas. If these doubts persist, this could potentially lead to the perception that the Quad and India will have limited utility, and to greater investment in other platforms that are seen as likely to be more effective in responding to Indo-Pacific crises. Much will depend on whether and how Canberra, Tokyo, and Washington see and manage their differences with New Delhi, the impact on their enthusiasm to work with India, and how they see the relative weight and linkages between the European and Indo-Pacific theatres. It could also depend on the outcome of Chinese efforts to fuel friction between India and its Quad partners.

New Delhi has, in turn, been concerned about the Russia-Ukraine war shifting the other Quad countries' focus from the Indo-Pacific. Simultaneously, it is wary of expanding the Quad's remit beyond the Indo-Pacific. However, it will have to reconcile some realities. Even if it wants to align with countries to balance China but not to isolate Russia, deepening Sino-Russian alignment is increasingly connecting the two theatres. Moreover, Russia's actions will adversely affect Moscow's ability to provide the very military supplies and technology that make it a crucial partner for New Delhi. Finally, the February 4 Sino-Russian joint statement, as well as remarks from Chinese officials since the Russian invasion have made clear that Beijing does perceive linkages between Europe and the Indo-Pacific and draws comparisons between NATO and the Quad.

Other Implications

There are some other implications in South Asia that are worth keeping in mind:

Economic and potential political implications: the Russian invasion and its consequences are playing out just as the economies of countries in the region were trying to recover from COVID-19. The rise in commodity prices, in particular, has added to inflation concerns, put pressure on their budgets, and led to food and energy security concerns. Beyond economic implications, these adverse effects could spill over into having political impacts as well. There could also be strategic implications if these countries see China as being more or alone responsive to their concerns. Beijing and Moscow could also seek to blame these effects on western sanctions rather than on Russia's invasion.

Self-reliance and its spillover. China's desire to sanction-proof itself could incentivize it to seek greater use of alternative payment mechanisms in its economic engagement with countries in South Asia (beyond India and Bhutan). Beyond that, the imposition of sanctions and the effect of secondary sanctions could renew or add fuel to the call in some of these countries—perhaps especially in India—toward calls for self-reliance and building systems and structures that are resilient not just to Chinese pressure but also against western sanctions. Several countries in the region—or their leaders—have faced such sanctions in the past, and therefore might not see this as an abstract concern but a potential reality. This could fuel protectionist instincts in these countries, as well as limit alignment with the US.

Recommendations

First, it will be important to recognize the diversity of opinion within South Asia on China. American expectations and approaches will have to be tailored accordingly. And it will require different efforts with different aims. Vis-à-vis India, which has been aligning with the US to balance China, these could involve trying to increase the scope, scale, and speed of alignment. Vis-à-vis Pakistan, the expectations might have to be more limited—i.e., minimizing the support that it might offer China or finding ways to mitigate the consequences of that support. Vis-à-vis the other South Asian countries, the aim should be to encourage alignment, but if that is not possible or likely, then to ensure that they maintain a balance rather than bandwagon with or support Beijing. If their alignment isn't on the table, non-alignment is the next best option.

Second and relatedly, in South Asia and elsewhere in the Indo-Pacific (and beyond), Washington will need to develop strategies for dealing with the new non-aligned in the context of intensifying US-China competition. In this regard, there are some lessons to be learnt from the Cold War. One lesson is with regard to framing. The new non-aligned in South Asia are unlikely to be attracted by—and

might even be repelled by—a "with us or against us" framing, and/or by efforts to punish them for their non-alignment. Instead, there must be a willingness to accept their freedom to choose along with an effort to offer more attractive choices and to incentivize alignment.

Countries are also likely to distance themselves from a strategy that involves messaging focused on countering China. A far more effective message will be one focused on the importance of the rules-based order and a region where countries are free to make choices. Finally, a democracy-vs-autocracy framing is also likely to limit South Asian buy-in—not necessarily because of the nature of their own regimes but because many in the region are sovereignty hawks and believe that outsiders have used ideological framing to intervene in countries. Instead, a message focused on shared interests—including respect for international law and a rules-based order—is likely to be more attractive.

Third, beyond messaging, it will be important for the US to offer substantive solutions and alternatives to these countries—and not just wait for China to make mistakes. South Asian countries' willingness to cooperate or align with the US—or even stay neutral—will depend on their sense of American interest in and commitment to the region. This will require resourcing the Indo-Pacific lines of effort, including those in South Asia. It will call for continued engagement in the region from both the executive and legislative branches even as the European theater demands American attention—in this regard the recent visits of senior officials to and from the region will be helpful. And it will require being responsive to the concerns of countries in the region, including the challenges to their security and prosperity.

The US should have realistic expectations about the approach South Asian countries will take vis-àvis China (or not). However, they are more likely to align with the US or at least not bandwagon with China if they believe they have options, and that China can be deterred from not just the use of force but also coercion. Thus, steps that members of Congress can take or encourage the administration to take to offer strategic and economic alternatives, strengthen deterrence in the Indo-Pacific, and ensure the maintenance of a rules-based order will be crucial.

Fourth, given competing priorities at home and abroad and other constraints, it would also be helpful for the US to encourage and enable its like-minded partners to be responsive to the concerns and needs of countries in South Asia. But even as Washington works with India (and/or other partners like Australia, Japan, or the United Kingdom) in the region, this cannot be a substitute for developing and investing in independent relationships with these countries.

Fifth, in the near term, any steps that the US can take—alone or with partners—to mitigate the adverse economic, energy and food security consequences of the Russia-Ukraine crisis for countries in South Asia would be helpful. They would also help counter Sino-Russian messaging that it is Washington's rather than Moscow's decisions that are responsible for their predicaments.

Relatedly, the US should try to ensure that its approach to South Asian countries on their positions to the current crisis in Europe does not hinder their willingness or ability to align with the US in the Indo-Pacific. For instance, condemnation or targeting of India for its position is unlikely to elicit a condemnation of Russia, and could strengthen voices in India calling for New Delhi to slow the pace of or limit the deepening of ties with the US. There is also the risk that CAATSA sanctions and secondary sanctions could have such an impact.

Sixth, in regard to the Russia-Ukraine crisis, it will be important to have realistic expectations about what countries might be willing to do (or not). They are unlikely to take actions that adversely affect their security or economic interests. Thus, absent a further escalation on the part of Russia, efforts to get countries like India or Pakistan to condemn Russia publicly by name are unlikely to bear fruit. Moreover, applying pressure makes the discussion in these countries about the US rather than about Russia's violation of Ukraine's territorial integrity and sovereignty. Instead, the focus should be on (i) eliciting their support for the principles at stake, (ii) outlining how and why those principles are in their interests, (iii) communicating how Russian military actions are adversely affecting their strategic and economic interests, (iv) privately conveying the costs of any actions that seem to support Russia's efforts, (v) finding ways to mitigate their economic and security concerns, and give them alternatives to Russia, (vi) exploring what countries like India and Pakistan can do alone or with other partners to convey their concerns about Russian actions and their impact to Moscow, and (vii) working with India to help address the food and energy security concerns of countries in South Asia and even Africa and the Middle East.

Seventh, as the administration and Congress consider how to approach India, there needs to be recognition that India's relationship with Russia will not change overnight. These ties have already changed over the last decade both due to (i) the divergences in the relationship (whether due to Russia's partnerships with China and Pakistan or its positions on developments in Afghanistan and Myanmar), and (ii) India having access to other partners that are more like-minded for its key strategic and economic priorities. Forcing India to choose between the US and Russia will be less effective than enabling it to make non-Russia choices. That India can make these choices is already apparent in its more diversified portfolio of defense trade and technology partners, as well as its deepening of the US partnership and the Quad.

This Indian alignment with the US was facilitated by Washington's support for India in its boundary crisis with China—and it will continue to assess the utility and reliability of the US partnership in this context. Escalation at the Sino-Indian boundary remains serious, and requires careful watching. Members of Congress can encourage the administration to consider what Delhi might ask of the US in different crisis scenarios, whether Washington is willing to be responsive, and, if it is, prepare for those contingencies.

In the months ahead, Washington and Delhi will also have to reconcile some realities. For the US, this will be that it has an interest in India demonstrating resolve and serving as a regional security provider in the Indo-Pacific in the face of increasing Chinese assertiveness, but India's ability to do so in part depends on capabilities that it has acquired from Russia. For India, this will be reconciling its desire to align with the US and other like-minded partners to balance China but not isolate Russia—even as Sino-Russian alignment is increasing.

Finally, Washington's interests in working with India in the Indo-Pacific would be well served by a frank discussion of potential contingencies, including vis-à-vis Taiwan, and what's at stake, and clarify expectations—including steps that New Delhi would be willing to take or not take.